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The following item will be discussed at a virtual meeting of the Standing Committee on Finance and Operations on Wednesday, September 9, 2020:

gb #0-267 - Administration (August 18, 2020)

To review the status of the FY21 Budget and make appropriate transfers as required.

Committee Members

John L. Foley, Chair
Molly O. McCullough, Vice-Chair
Dianna L. Biancheria

Administrative
Representatives
Brian Allen

OFFICE OF THE
CLERK OF THE SCHOOL COMMITTEE
WORCESTER PUBLIC SCHOOLS
20 IRVING STREET
WORCESTER, MA 01609

AGENDA #3

The Standing Committee on FINANCE AND OPERATIONS will hold a meeting:

on: Wednesday, September 9, 2020
at: 5:00 p.m.

virtually in: Room 410, Durkin Administration Building

ORDER OF BUSINESS

- I. CALL TO ORDER
- II. ROLL CALL
- III. GENERAL BUSINESS

gb #9-11 - Administration (January 2, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountant's Report on Applying Agreed Upon Procedures for Student Activity Fund Testing for fiscal years 2016, 2017, and 2018 prepared by CliftonLarsenAllen, LLP.

gb #9-260.1 - Administration/Mr. Monfredo/Miss Biancheria/Mr. Foley/Ms. McCullough/Mr. O'Connell (January 6, 2020)

Response of the Administration to the request to provide an update on the mold problem at Columbus Park Preparatory Academy and indicate whether or not the City Health Department has provided any recommendations for remediation of this problem.

gb #9-266 -Administration (August 21, 2019)

To review the status of the FY20 Budget and make appropriate transfers as required.

gb #9-267 -Administration (August 21, 2019)

To review the annual audit and agreed upon procedures report on compliance and internal controls for the City of Worcester, including the Worcester Public Schools, for the year that ended on June 30, 2019 which included the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) A-133 Reports and the Management Letter.

gb #9-268 -Administration (August 21, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountant's Report on Applying Agreed Upon Procedures for Student Activity Fund Testing for fiscal year 2019.

gb #9-269 -Administration (August 21, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountants' Report on Applying Agreed Upon Procedures for the Department of Elementary and Secondary Education End of Year Financial Report for fiscal year 2018-19.

gb #9-355 -Miss McCullough/Miss Biancheria/Mr. Foley/Mr. Monfredo (October 23, 2019)

Request that the Administration explore the feasibility of providing bus transportation to secondary students that live less than 2 miles from school.

ROS #0-6 -Administration (May 15, 2020)

UPDATE ON THE STUDENT INFORMATION SYSTEM (SIS) PROCUREMENT PROJECT – Center for Educational Leadership and Technology (CELT)

c&p #0-13 - Clerk (August 18, 2020)

To consider a communication from the Racism Free Worcester Public School Group regarding nine areas of concerns.

gb #0-33 - Mr. Foley/Mrs. Clancey/Ms. McCullough/Mr. Monfredo/Ms. Novick (January 8, 2020)

To include a standing item for "Transportation Update" at each Finance and Operations committee meeting with information provided regarding the problems facing student transportation and improvements experienced.

gb #0-58 - Ms. Novick/Miss Biancheria/Mr. Foley/Mr. Monfredo (January 29, 2020)

To discuss the proposal to move city polling locations into the Worcester Public Schools.

gb #0-267 - Administration (August 18, 2020)

To review the status of the FY21 Budget and make appropriate transfers as required.

Motion gb #0-138.2 - Mr. Foley (June 18, 2020)

Request that Account 50S502 –Nutrition Program and Grant Programs be referred to the Standing Committee on Finance and Operations.

IV. ADJOURNMENT

Helen A. Friel, Ed.D.
Clerk of the School Committee

STANDING COMMITTEE: **FINANCE AND OPERATIONS**

DATE OF MEETING:

ITEM: Administration (August 21, 2019)

To review the annual audit and agreed upon procedures report on compliance and internal controls for the City of Worcester, including the Worcester Public Schools, for the year that ended on June 30, 2019 which included the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) A-133 Reports and the Management Letter.

PRIOR ACTION:

8-7-20 - Mr. Allen stated that this is an interim budget and the final budget will not be proposed until October. The 15.5 million dollar reductions may not necessarily be in the final budget and that adjustments may need to be made. Mayor Petty hoped that extended day learning, crossing guards and cafeteria worker jobs will be reinstated if the final budget changes. Miss Biancheria requested that the item be held in order to discuss what can be reduced from the current interim budget by going line by line. Ms. Novick requested an update on school nutrition services to which Mr. Allen replied that the current plan calls for food distribution in high density areas with fifteen locations for students to pick up their meals. Miss Biancheria made the following motion:
Request that the item be held.
On a roll call of 2-5 (yea Miss Biancheria and Mr. Monfredo), the motion was defeated.
On a roll call of 6-1 (nay Miss Biancheria), the backup was approved.
Mayor Petty moved to suspend the rules for a reconsideration.
On a roll call of 6-1 (nay Miss Biancheria), the rules were suspended.
On a roll call of 1-6 (yea Miss Biancheria), the reconsideration was denied.
Ms. McCullough made the following motion:
Request that the Administration prioritize reinstating extended learning if additional money becomes available.
On a roll call of 6-1 (nay Ms. Novick), the motion was approved.
On a roll call of 7-0, the item was referred to the Standing Committee on Finance and Operations.

BACKUP:

Annex A (4 pages) contains a copy of the Worcester Public Schools FY21 Revised Baseline Budget.

**Worcester Public Schools
 FY21 Revised Baseline Budget**

On July 30, 2020, the Governor and the State Legislature provided revised baseline FY21 Chapter 70 Aid for school districts. The Massachusetts Department of Elementary and Secondary Education also provided an Administrative Update on Chapter 70 Aid and Net School Spending Requirements based on these revised budget baseline amounts. This state funding commitment includes Chapter 70 increases for inflation and enrollment only, that while will keep all school districts at foundation, the new baseline budget does not include any of the funding for the phase-in of the Student Opportunity Act (a **\$15.5 million reduction for the Worcester Public Schools**).

According to the DESE, updated charter tuition and reimbursement amounts were not included in the local aid resolution so the amounts listed below are based on final FY20 amounts pending any additional administrative updates or final passage of the budget per state guidance.

Revenue and Tuition Offset Category:	FY21 Adopted Budget (based on Governor's Budget)	FY21 Revised Baseline Budget	Change from Adopted Budget Amount
Chapter 70 State Aid & Reimbursement:			
Chapter 70 State Aid (Total)	293,503,420	277,395,997	-\$16,107,423
Charter School Reimbursement	\$4,490,822	\$2,763,726	-\$1,727,096
Total City Contribution	<u>\$123,327,975</u>	<u>\$123,327,975</u>	<u>\$0</u>
Total General Fund Revenues	<u>\$421,322,217</u>	<u>\$403,487,698</u>	<u>-\$17,834,519</u>
Less Tuition Assessments:			
Charter School Tuition Assessment	\$29,496,484	\$27,154,480	-\$2,342,004
School Choice Tuition Assessment	\$3,176,771	\$3,176,771	\$0
Special Education Revenue Offset	<u>\$193,758</u>	<u>\$193,758</u>	<u>\$0</u>
Total Tuition Assessments	<u>\$32,867,013</u>	<u>\$30,525,009</u>	<u>-\$2,342,004</u>
Total General Fund Revenue	<u>\$388,455,204</u>	<u>\$372,962,689</u>	<u>-\$15,492,515</u>

For current planning purposes, pending further state or federal resolution on funding, the district must prepare for a budget reduction of \$15.5 million.

These actions are intended to preserve Worcester Public Schools positions to ensure full continuity of instruction, support, and services during the full remote model of the first quarter.

Final actions by the School Committee will not be taken until a final budget is adopted by the State Legislature as well as the Worcester City Council. However, to be prepared for this current budget reduction, the Administration must implement these actions immediately in order to achieve necessary savings. Therefore, the Administration recommends the following actions be approved by the Worcester School Committee:

Worcester Public Schools
 FY21 Revised Baseline Budget Actions

<u>Account</u>	<u>Description</u>	<u>Amount</u>
All Salary Accounts	Reduce 2% across all salary accounts. This reduction does not impact current salaries, step increases, or other existing contractual obligations.	\$4,859,362
Various Salary Accounts (Teachers, Instructional Assistants, School Nurses, and School Clerical)	Eliminate extended learning time (common planning time and additional instructional time) at four former Level 4 schools (Burncoat Prep, Chandler Elementary, Elm Park Community, and Union Hill School).	\$1,856,198
Various Salary Accounts	Actual and anticipated vacancy savings for positions through the end of September 2020.	\$391,378
500-91114 Teacher Substitutes	Reduce day-by-day substitutes for first quarter (full remote model).	\$285,000
500-91115 Instructional Assistants	Eliminate and reallocate selected Instructional Assistant positions due to full remote model.	\$111,396
500-91118 Supplemental Program Salaries	Line G. Student Afterschool Drop-Off Center Reduce afterschool student drop-off center for first quarter (based on full remote model).	\$7,500
500-91120 Maintenance Service Salaries	Eliminate 5 vacant positions (3 electricians and 2 carpenters).	\$271,809
500-91124 Crossing Guards	Reduce use of crossing guards (completely) for first quarter (full remote model).	\$183,781
540103-92000 Student Transportation	Reduce contracted student transportation for 10 additional staff development days (no longer student session days).	\$762,458
540103-92000 Student Transportation	Reduce contracted student transportation for Fridays (full year) due to remote learning model (32 days).	\$2,439,866
540103-92000 Student Transportation	Reduce contracted student transportation for big buses for first quarter (full remote model) (33 days, Friday dates are included in the above amount).	\$1,383,689
540103-92000 Student Transportation	Reduce contracted student transportation for mid-size or wheelchair buses for first quarter (full remote model) (33 days, Friday dates are included in the above amount)	\$1,132,421
540103-92000 Student Transportation	Reduce contracted student transportation for mid-size buses, wheelchair buses, and 7D vans during Summer 2020	\$336,822

540103-92000 Student Transportation	Reduce out-of-district special education and McKinney-Vento Transportation based estimated savings for in-district provided services and reduced transportation needs.	\$727,770
500123-96000 Health Insurance	Savings associated through vacancy factor and position reductions	\$168,610
500130-92000 Personal Services	Line I. Security Guards Reduce contracted security services (except for Durkin Administration Building) for first quarter (full remote model)	\$81,372
500-92204 Instructional Supplies	Line A. Instructional Materials Reduce \$10 per pupil instructional supply budget	\$245,780
500-92204 Instructional Supplies	Line D. Student Furniture Eliminate line item for student furniture purchases for this school year	\$153,000
500136-92000 Miscellaneous Educational OM	Line K. In State Travel Estimated savings for first quarter full remote model	\$5,000
500152-92000 Facilities Ordinary Maintenance	Line B. Trash Removal Lower trash removal costs based on first quarter full remote plan	\$89,303
TOTAL RECOMMENDED BUDGET REDUCTIONS		\$15,492,515

Some of these areas could be restored should a final state budget include Student Opportunity Act funds or through additional federal stimulus funds. However, should an all-remote model be continued during the second quarter of the school year, an additional savings totaling \$3.6 million may also be realized in several accounts listed above.

Other considerations not addressed in these recommendations:

- **Account 500-91116 Athletic Coaches' Salaries and Account 500122-92000 Athletic Ordinary Maintenance:** No actions regarding athletics are included in the budget reduction recommendation at this time until final guidance from the state is provided. Any cancelation of individual sports or seasons will result in savings (and possible loss of gate revenue) and will be addressed in future budget reports.
- **Account 500146-92000 Building Utilities:** The district expects to realize building utility savings as a result of the first quarter full remote schedule, but the district also intends to operate ventilation systems for extended times once in-person instruction resumes. The impact of the first quarter savings may be offset through increased mechanical ventilation later this school year. Any identified savings (or added costs) will be addressed through the quarterly budget review process with the School Committee.

Other Budget Concerns:

- **Account 500137-96000 Unemployment Compensation:** Due to various budget and staffing decisions, the Administration anticipates a significant deficit in the unemployment compensation account that will be addressed in the First Quarter Budget Status Report.
- **Account 50S502 School Nutrition:** The remote learning schedule for the first quarter will present a challenge to maintain full student meal participation. The actual remote feeding model will be presented in detail under a separate report, but the Administration is anticipating lower meal participation resulting in a loss of planned revenue. The planned model also uses significantly less staff than a full in-person model. Additional information and impact will be provided once the feeding model plans are finalized.

The Administration awaits final state budget action later this year and possible additional federal stimulus funds. Final budget action will occur later in the year as part of the tax rate setting process with the City of Worcester or earlier final state budget action.

The Administration recommends that the School Committee approve these recommendations so that these savings can be set aside to address the current FY21 baseline budget.